



# **Items Completed Under Delegated Authority** (for the month of July 31, 2011)

Program Area         Name of Investment         Commitment         Number         Received From           Aboslute Return Strategy         Breton Hill Eureka Fund, LLP         \$100 million         89-13 and 98-50         CalPERS Staff and UBS				Complies with Delegation	Due Diligence Report
Aboslute Return Strategy Breton Hill Eureka Fund, LLP \$100 million 89-13 and 98-50 CalPERS Staff and UBS	Program Area	Name of Investment	Commitment	Number	Received From
	Aboslute Return Strategy	Breton Hill Eureka Fund, LLP	\$100 million	89-13 and 98-50	CalPERS Staff and UBS-AIS

# **Disclosure of Placement Agent Fees** (for the month of July 31, 2011)

Program Area	Firm Name	Fund	Placement Agent Firm	Estimated Placement Agent Compensation	Transation Type
No Items to Disclose for Period				-	
Notes:					

## **Investment Transactions Summary – Estimated Values** (for the month of July 31, 2011)

			PERF - Publ	ic Markets		
	Public Equity	REIT	Income	Inflation	ARS	Liquidity
Beginning Market Value	117,936,016,442	1,492,146,305	43,234,895,737	5,154,073,563	5,315,421,207	10,677,476,791
+ Purchases	2,476,066,117	13,116,747	11,679,968,377	540,978,294	-	1,238,481,094
- Sales	(1,364,568,461)	(124)	(9,755,900,679)	(515,000,000)	(1,892,370)	(1,295,128,310)
+/- Other Changes in MV	(3,222,639,490)	(5,739,787)	(2,857,399,736)	2,180,325,076	19,333,332	(400,241,011)
Ending Market Value	115,824,874,608	1,499,523,140	42,301,563,699	7,360,376,933	5,332,862,169	10,220,588,565

	Pl	ERF - Private Market	ts	
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	33,612,696,256	18,643,197,825	2,286,543,932	636,611,841
+ Contributions	442,985,271	169,956,687	707	-
- Distributions	(467,921,234)	(102,245,640)	(908,653)	(1,453,100)
+/- Other Changes in MV	(368,987,429)	(1,559,857,352)	907,946	1,453,100
Ending Market Value	33,218,772,864	17,151,051,520	2,286,543,932	636,611,841

	Total Public Markets	Total Private Markets	Total PERF
Beginning Market Value	183,810,030,045	55,179,049,853	238,989,079,899
+ Contributions	15,948,610,630	612,942,666	16,561,553,295
- Distributions	(12,932,489,945)	(572,528,626)	(13,505,018,571)
+/- Other Changes in MV	(4,286,361,616)	(1,926,483,736)	(6,212,845,352)
Ending Market Value	182,539,789,115	53,292,980,156	235,832,769,271

Note: Numbers will not tie exactly to the Asset Allocation/Performance buckets due to classification differences.

# **Investment Proposal Activity Summary** (for the month of July 31, 2011)

		Private As	set Classes		Public Asset Classes				
	Alternative Investments	Forestland	Infrastructure	Real Estate	Hedge Funds	Global Equities	Commodities	oal Fixed ncome	Total
Start of Month Proposals	43	3	33	34	25	16	9	8	171
New Proposals	70	0	7	17	5	9	1	2	111
<b>Decisions During the Month</b>	19	0	0	14	8	15	6	2	64
End of Month Proposals	94	3	40	37	22	10	4	8	218

#### **Status Details**

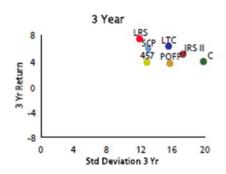
		Private A	sset Classes		Public Asset Classes				
Status	Alternative Investments	Forestland	Infrastructure	Real Estate	Hedge Funds	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals									
Submitted	0	3	2	8	0	0	0	1	14
Screening	37	C	30	24	22	15	9	7	144
Due Diligence	6	C	1	2	3	0	0	0	12
Approved	0	C	0	0	0	1	0	0	1
Subtotal	43	3	33	34	25	16	9	8	171
New Proposals During the Mo	onth								
Subtotal	70	C	7	17	5	9	1	2	111
Decisions During the Month									
Declined	17	C	0	10	2	7	6	2	44
Failed to Materialize	1	C	0	0	0	0	0	0	1
Referred	1	C	0	4	6	8	0	0	19
Subtotal	19	C	0	14	8	15	6	2	64
End of Month Proposals									
Submitted	1	C	) 2	17	0	4	0	0	24
Screening	90	3	37	18	18	5	4	8	183
Due Diligence	3	C	1	2	4	0	0	0	10
Approved	0	C	0	0	0	1	0	0	1
Subtotal	94	3	40	37	22	10	4	8	218





### Risk Profile (for the month of July 31, 2011)

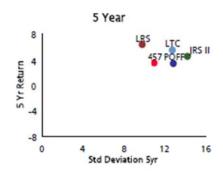
## 3 Year Risk Profile



### TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	0.29	1.24	0.23
CALPERS CERBT FUND	-0.26	1.01	-0.25
457 AGGREGATE	-0.13	0.78	-0.17
JUDGES RETIREMENT SYSTEM II FUND	0.02	1.24	0.02
BALANCED GROWTH - POFF	-1.14	1.16	-0.98
LEGISLATORS RETIREMENT SYSTEM FUND	0.69	2.06	0.34
SCP AGGREGATE	-1.15	0.71	-1.61

## 5 Year Risk Profile



### TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	0.08	1.03	0.08
CALPERS CERBT FUND			
457 AGGREGATE	-0.40	0.76	-0.52
JUDGES RETIREMENT SYSTEM II FUND	-0.12	1.05	-0.11
BALANCED GROWTH - POFF	-1.06	0.98	-1.08
LEGISLATORS RETIREMENT SYSTEM FUND	0.24	1.64	0.15
SCP AGGREGATE			

Excess Return - The difference between the portfolio return and the index return for the given period Tracking Error - Standard deviation of the Excess Return Information Ratio - Excess Return divided by the Tracking Error

			1 M	onth	F'	YTD	1	Yr	3	Yr	5	Yr	10	) Yr
DEFINED BENEFIT PLANS	Ending Market Value (\$millions)	Ra	Fund ate of eturn	Excess Return in Bps	Fund Rate of Return	Excess Return ir Bps								
JUDGES RETIREMENT FUND	49		0.0	2	0.0	2	0.3	11	0.6	21	2.2	28	2.2	15
JUDGES RETIREMENT SYSTEM II FUND	569		(0.1)	(14)	(0.1)	(14)	15.2	9	4.9	2	4.4	(11)	5.2	(31
LEGISLATOR'S RETIREMENT SYSTEM FUND	123		0.8	(23)	0.8	(23)	12.7	33	7.3	69	6.3	24	5.7	(43
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS			1 M	onth	F	YTD	1	Yr	3	Yr	5	Yr	1	0 Yr
CALPERS SUPPLEMENTAL INCOME 457 PLAN	913		(1.1)	(2)	(1.1)	(2)	11.7	(45)	3.7	(13)	3.4	(40)		
SUPPLEMENTAL CONTRIBUTIONS PLAN	19		(0.7)	(9)	(0.7)	(9)	14.0	(43)	5.8	(115)				
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	488		(0.7)	(10)	(0.7)	(10)	14.9	(51)	3.5	(114)	3.3	(106)	3.8	(102
HEALTH AND OTHER POST-EMPLOYMENT BENEFIT FUNDS			1 M	onth	F	YTD	1	Yr	3	Yr	5	i Yr	10	0 Yr
CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) STRATEGY 1 FUND	1,870		(0.6)	(11)	(0.6)	(11)	16.8	14	3.8	(26)				
CALPERS HEALTH CARE BOND FUND	461		1.5	(6)	1.5	(6)	5.3	90	7.5	41				
LONG TERM CARE FUND	3,295		0.3	(11)	0.3	(11)	14.9	37	6.2	29	5.4	7	5.4	(19
RESERVE FUNDS			1 M	onth	F`	YTD	1	Yr	3	Yr	5	Yr	1	) Yr
CONTINGENCY RESERVE FUND	6		0.0	2	0.0	2	0.2	10	0.6	21	2.2	28	2.2	1:
SECURITES LENDING COLLATERAL			1 M	onth	F	YTD	1	Yr	3	Yr	5	Yr	10	0 Yr
SECURITES LENDING COLLATERAL REINVESTMENT POOLS	19,691		0.0	1	0.0	1	1.0	81	2.4	210	2.8	92	2.6	5

### **Policy Violations and Significant Events**

#### **Material Exceptions to Policy**

According to policy requirements, the following is a summary of investment policy violations as reported by the program area.

### Judges' Retirement System II (JRS II) Fund:

The Fund breached its domestic fixed income upper policy range limit due to extreme market volatility in the week of 8/1/11, beginning with 8/4/11 closing values and continuing sporadically (ranging from an overage of .03% to 1.67%) despite a staff-directed trade to sell US Fixed Income and purchase US Domestic Equity that settled 8/10/11. An additional trade was directed for settlement 8/12/11, which brought the Fund back within the Strategic Range.

Effective 8/15/11, a new asset allocation policy was approved by the Investment Committee for the Fund. We will be transitioning to this new policy as shown in the September 12, 2011 Investment Committee Affiliate Investment Programs Annual Review agenda item. Until the transition is completed, the funds will be out of compliance with the new policy ranges.

Legislators' Retirement System (LRS) Fund, Long-Term Care (LTC) Fund and California Employers' Retiree Benefit Trust (CERBT) Fund:

The Funds breached their domestic fixed income upper policy range limit due to extreme market volatility in the week of 8/8/11 beginning with 8/8/11 closing values, and continuing sporadically (ranging from an overage of .01% to 0.64%) until staff-directed trades to sell US Fixed Income and purchased US Domestic Equity settled 8/12/11, which brought the fund back within the Strategic Range.

Effective 8/15/11, a new asset allocation policy was approved by the Investment Committee for these Funds. We will be transitioning to these new policies as shown in the September 12, 2011 Investment Committee Affiliate Investment Programs Annual Review agenda item. Until the transition is completed, the funds will be out of compliance with the new policy ranges.

### **Significant Events**

No significant events to report for period.

# **Investment Transactions Summary – Estimated Values** (for the month of July 31, 2011)

	CERBT Strategy 1 Fund	Health Care Bond Fund	Judges Retirement Fund	Judges Retirement System II Fund	Legislator's Retirement System Fund	Long Term Care Fund	Contingency Reserve Fund
Beginning Market Value	1,845,735,147	454,468,302	48,853,040	563,250,465	123,208,685	3,276,083,150	6,108,770
+ Purchases	124,371,236	-	7,257	12,000,165	825,008	21,000,503	907
- Sales	(88,706,083)	-	-	(6,000,000)	(1,350,000)	(10,500,000)	-
+/- Change in MV	(11,459,263)	6,936,443	(157)	(397,021)	743,792	8,650,550	(20)
Ending Market Value	1,869,941,037	461,404,745	48,860,140	568,853,609	123,427,485	3,295,234,203	6,109,658



CalPERS Investment Office
Operations, Performance, & Technology Division
400 Q Street
Sacramento, CA. 95814